

EXHIBIT TO VOLUME II

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Recruitment Sources within the Radio
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Verification of Recruitment Sources within the Radio Broadcast Industry:
An Empirical Study of EEO Compliance

Report Prepared for

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Table of Contents

I.	Executive Summary	p. 2
II	Rationale and Background	p. 4
II	Methodology	p. 6
IV.	Findings	p. 10
V.	Implications and Conclusions	p. 11
VI.	References	p. 14
VII.	Tables and Figures	p. 15
VIII.	Acknowledgments	p. 18

I. Executive Summary

This study attempts to verify the recruitment practices of AM and FM radio stations filing licence renewal applications for the period of January 1, 1997 and December 31, 1997. The central question posed by this research is whether broadcasters fully utilized well-established minority and female applicant sources as detailed in their filings (EEO Form 396) with the Federal Communications Commission. In addition, this research examines whether market characteristics (size, racial composition) are related to the utilization of minority recruitment sources. A total of 503 stations across 20 designated market areas that filed license renewal applications during this time period were selected for inclusion in this research. Based on 1998 Arbitron Metro Survey Area Rankings, the 20 markets were randomly selected and grouped into four categories: 1 to 50, 51 to 100, 101 to 150 and 151 to 267. Sources listed on the licensee's renewal application were first located and then contacted for a brief telephone interview to verify the information submitted on the EEO Report (FCC Form 396).

Overall only 12% of the valid sources listed on the renewal applications could be verified. Not surprisingly, a higher percentage of sources were verified for stations within the top markets (1 to 50) while none of the sources within the 100 to 150 group could be confirmed. Despite their large pool of available resources, a number of sources listed by stations within the top market group either could not be located (45%) or contacted (31%). Among all sources that could be verified, only 41 (14%) confirmed that they had been contacted by the station with recruitment information during the target period. Again, this was most prominent among stations within the top market group. For all sources verified, the frequency of contact with the station occurred either every two months (7 %) or as needed (8 %). Within top markets, sources that were contacted by

a station with job recruitment information were asked about other diversity activities targeted toward minorities and women a small percentage of the time (6%).

A key conclusion from this research is that there is a need for standardization of the current monitoring system for EEO reports submitted during the license renewal process. We found only limited verification of recruitment source information provided by each licensee where the source listed could be located and contacted. Thus, more detailed guidelines for the self-assessment of compliance with EEO standards required by the FCC are clearly needed.

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I. Rationale and Background

The purpose of this study is to determine whether sources said to be contacted whenever jobs are open were in fact contacted by FM and AM radio stations filing licence renewal applications for the period of January 1, 1997 and December 31, 1997. The issue of compliance with anti-discriminatory policies as mandated by the Federal Communications Commission (FCC) is an issue under consideration and current debate. Until recently, radio broadcast stations meeting conditions set forth by the FCC were required to provide information on their non-discriminatory efforts and outcomes annually and at license renewal time.

The extant research on the utilization of minorities within the radio broadcast is quite limited. One study conducted by the Minority Media and Telecommunication Council in 1996 found that a number of stations escaped scrutiny by the FCC and operated EEO programs that were only marginally effective. Other research that has examined the effectiveness of EEO programs across a wide variety of industries acknowledges that degree of commitment and level of specificity are among two key indicators of program effectiveness (see Murrell and Jones, 1996). Thus, the issue addressed in this research reflects a key aspect of the debate over the effectiveness of anti-discriminatory efforts such as affirmative action. More specifically, we attempt to verify whether broadcasters fully utilize key resources as part of their plans for the recruitment of women and minorities outlined by the EEO programs submitted to the FCC.

The variables of market size and demographic composition are include in this study because they may be important factors that influence our ability to complete source validation. Clearly stations within smaller or more restricted markets have a limited ranges of options for local recruitment sources. These stations may be challenged to explore more innovative

approaches to minority recruitment, and thus may be more likely to engage in other diversity activities (e.g., mentoring programs, internships). Stations within top markets have access to a broader range of potential recruitment resources and may have no reason to extend beyond traditional job postings for minority hiring.

The issue of minority representation within the market relates to the ability of key stakeholder groups to influence the policies and actions of an organization. More specifically, does the presence of minorities within the station's market impact the extent of inclusion of community organizations within the job recruitment process? This notion of greater inclusion is linked to the rationale for the FCC EEO regulation which attempts to insure that minority and female participation in broadcast employment leads to greater inclusion of diverse perspectives in programming. Thus, one idea explored in this research is whether the representation of minorities within the market has a significant impact on broadcasters' verifiable compliance with the requirements outlined by the former EEO Rule.

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II. Methodology

Sample. The EEO programs identified for this study were outlined on FCC Form 396 and were associated with licence renewal applications filed between January 1, 1997 and December 31, 1997. Twenty markets were selected for inclusion in this study. Market sizes were determined by the 1998 Arbitron Metro Survey Area Ranking and are based on the 1990 U.S. Bureau of Census estimates updated and projected to January 1, 1998. These rankings reflect the Fall, 1997 Arbitron market definitions and are most relevant for the time period in which licence renewal applications were filed. The markets selected for inclusion are listed in Table 1.

Using these twenty areas, five specific markets were randomly selected from within states for which radio license renewal applications were filed in 1997. The four market groups (based on size) were constructed as follows: 1 to 50, 51 to 100, 101 to 150 and 151 to 267. Thus, the resulting sample of twenty radio stations is representative of all radio stations in the United States. Only markets in the continental United States were considered because of atypical job market conditions in the states of Alaska and Hawaii. In addition, if a market's minority population in 1997 was so small that its stations were not required to have an EEO program targeted toward minorities, this market was excluded from the final sample. In a small number of cases, stations did not file license renewal applications in 1997 because they were licensed to in-market communities within adjacent states. These stations were also excluded from the final sample.

Several other factors determined inclusion of a station's information within the study sample. In a few cases, stations were sold during the designated time period and they filed an EEO program with their assignment of license or transfer of control applications. For these stations, it would be impossible to determine which recruitment courses were used during 1998.

Thus, these stations were excluded from the study. In addition, data was not available for many stations because the files maintained by the FCC were incomplete, or because the station had five or fewer employees and was therefore not required to have an EEO program. These stations were also excluded from the sample. The frequency of these different criteria for exclusion from the sample are detailed in Table 2.

Verification of the use of recruitment sources was undertaken only for those sources for which the licensee represented that the recruitment sources are to be contacted whenever a job is available. Many applications contained long lists of “supplemental” sources without representing that these sources are contacted for all vacancies. Typically, these supplemental sources are contact only once or twice a year (whether or not a job is open) and often with only a form letter saying the station is an equal opportunity employer. Frequently, no specific job openings are sent to these sources. While this does not detract from an otherwise legitimate EEO recruitment program, it nonetheless prevents accurate verification of this as a recruitment source. These sources were excluded from our sample.

For some recruitment sources, verification of whether a referral was ever made was not possible and these institutions were also excluded from the study. They include:

1. Newspapers, magazines, radio stations and television stations. Frequently, some media outlets receive job notices unaccompanied by payment for placement of an advertisement. The licensee may be able to maintain that its intention was that the media outlet would have posted the job opening in the newsroom, in the hope that employees will see it. Whether or not this was done could not be systematically verified.
2. Colleges, Universities, Trade Schools and High Schools. Job referrals could be made

to a wide number of offices such as a dean, a department chair, a professor, an alumni office, or placement officer. Thus, given there is no requirement to specify a contact person as part of the application process, it would be difficult to reliably determine whether a broadcaster sent notices to such an institution.

3. Employment Agencies, Temporary Agencies and Welfare Agencies. These institutions commonly do not maintain useful records and they employ a large number of caseworkers that are themselves often temporary employees. Thus, the consistency of any employer's referrals could not be verified through standard research methodology (e.g., interviews with the staff).

4. Job or Career Fairs. A broadcaster may send an employee to a job fair to collect resumes for potential applicants. However, the job fair's organizers are not required to maintain any record of the resumes collected or of the broadcasters' attendance. In addition, the level of specificity concerning the date, time and place of job fairs is not required information on EEO Form 396 and is rarely included as part of the stations' recordkeeping. Thus, it would not be possible to verify with certainty whether a particular broadcaster attended a given job or career fair.

5. Organizations without Local Addresses. A broadcaster might list organizations such as the "NAACP" or "NOW" without reference to whether it sends notices to the local, regional or national office. Without such specificity, verification of this information as a recruitment source is impossible.

6. On-Line Sources. Some of the applications listed sources were obtained via the Internet. However, these sources (many of which listed without the exact URL) are quite

variable and are updated so frequently that verification of the exact information posted is impossible.

Procedures. Prior to the verification of recruitment information, the individual sources listed on each of the valid renewal applications were identified. Based on the information contained on the licensee's application, a search for each of the specified recruitment sources was conducted. This search involved contacting local directory assistance, searching the Internet, contacting the local Chamber of Commerce and United Way office for a possible listing of the designated source. National directories of minority organizations were also consulted. If the recruitment source could not be identified, it was eliminated from the sample and omitted from all subsequent analyses (see Table 3).

After the recruitment sources was identified, trained assistants contacted each source and conducted a brief telephone interview. A criteria of three attempts was established for each source where contact information could be obtained. Research assistants were instructed to request the individual "responsible for handling requests from radio stations wishing to post job openings and recruitment information". If that individual was not available, the interview was terminated until that person could be reached. When the designated individual was contacted, the purpose of the research study was explained and the request for information was then submitted. Upon consent, she or he was asked a series of three questions for each station listed on the renewal application form:

1. Was your organization contacted by this radio station with information on specific job openings during 1997 and 1998?

2. How often does this radio station typically contact you with information about specific job openings?
3. Does this radio station invite your organization to participate in any other diversity activities other than providing information on job listings?

After answering each of the three questions (when applicable), the contact person was given the opportunity to provide any additional information and then thanked for his or her participation in our research. Table 3 outlines the frequencies for the identification of sources and the number of successful contacts made for each market group.

III. Findings

One key issue that was addressed prior to data analysis was the redundancy of source information across licensee applications. In a number of cases, applications contained information for a number of stations such as those sharing a common owner or sources within the same market. Similar information that was submitted by stations that are part of a superduopoly (three or more commonly owned radio stations in the same service or located in the same market) were considered as one employment unit filing an application for renewal and thus counted as a single source. However, stations that are not part of a superduopoly but listed sources on the license applications that were also listed by other stations within that same market were not considered to be one employment unit filing and thus counted as separate sources.

Table 3 outlines the frequencies and percentages of sources that could be identified and (after three attempts) contacted across each of the four market groupings. Overall only 12% of

the sources listed on the valid renewal applications could be contacted and verified. Not surprisingly, a higher percentage of sources were contacted within the largest market group (1 to 50) while none of the sources within the 100 to 150 market group could be verified. However, even within the largest market group, a number of sources either could not be located (45%) or could not be verified (31%).

Tables 4 through 6 outline the responses from the recruitment sources that could be contacted across the remaining three market groupings. A total of 41 sources (14%) verified that they had been contacted by the station with recruitment information. This was primarily a function of the information provided by large market stations. Of those verified, the frequency of contact by the station was typically every two months (7 %) or as needed (8 %). Among stations within top markets with verified sources, only a small percentage (6%) responded that their organization was included in other diversity activities of the station that targeted minorities and women.

IV. Implications and Conclusions

We find the current practices of recordkeeping among licensees to be minimal, irregular and frequently unverifiable. Across all market sizes, 88% of all valid sources could not be located. Among those located, 73% could not be contacted and 47% of those contacted could not verify the information submitted by the stations on their licence renewal applications. Current EEO requirements for recordkeeping do not provide guidelines for the standardization of information collected (such as specific identification of the source, contact person, frequency of contact, etc.). This leads to the tremendous variability in the quality of information that is

submitted to the FCC among licensees. The effectiveness of self-assessment and self-verification among stations may be only slightly related factors such as the size of the market and representation of minority within the market; although this is difficult to determine from these data. Thus, any attempts at reducing the requirement of documenting recruitment activities would most certainly lessen the quality and rigor of the information collected and further increase the variability of this information across all broadcasters and even among stations within the same market.

Another implication of these findings is that to the extent that sources can be verified, there is limited evidence of an association with other efforts toward the enhancement of diversity. This lack of ongoing efforts exists regardless of market rankings, size or percentage of minority representation within the market. While this study does not examine the outcomes in terms of hiring or promotion, it does suggest that a potential benefit of utilizing diverse community resources for recruitment of women and minorities is being underserved by stations within our study.

Our findings support the notion that the ability to verify stated recruitment activities among licensees is greater within top markets compared to small markets. While this may pose a slight advantage for stations within larger market areas, we must emphasize that even for stations within these top markets the percentage of verifiable recruitment source information was still quite low. For stations within small markets, there was no evidence of compensation for these limited community resources by the use of other diversity activities within minority organizations identified in their EEO programs.

A key aspect of the success of any anti-discriminatory effort is the level of specificity of

the policy or initiative in setting conditions, requirements, and in outlining processes and desired outcomes (Murrell and Jones, 1998). The requirements set forth by the FCC help to insure that minimum efforts are maintained; however, without specific guidelines or ongoing verification, the rigor of any efforts by broadcasters may be difficult to sustain and impossible to corroborate. Thus, while the presence of an EEO rule is a necessary condition for maintaining efforts toward equality in access and opportunity, our findings suggest that such a rule itself is not sufficient. Requirements for recruitment and outreach efforts should be supported by ongoing efforts at validating the proposed activities submitted by stations applying for licence renewal. New standards for EEO outreach efforts and requirements can only serve to enhance the process of validation we attempted here.

V. References

- Federal Communication Commission (1998). Review of the Commission's broadcast and cable equal employment opportunity rules and policies and termination of the EEO Streamlining proceeding. FC Record, 13 (No. 23004). Washington, DC.
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VI. Tables and Figures

Figure 1: Market Characteristics Included in the Sample

Market Size	Arbitron Rank	Market Name	Percent Minorities	No. of Stations
1 to 50	6	Dallas-Fort Worth, TX	29.8%	56
	13	Seattle-Tacoma, WA	13.2%	42
	24	Portland, OR	10.2%	39
	31	Providence-Warwick-Pawtucket, RI	8.7%	38
	43	Las Vegas, NV	23.5%	28
51 to 100	64	Fresno, CA	41.9%	36
	69	El Paso, TX	71.3%	31
	72	Omaha-Council Bluffs, NE	10.2%	23
	78	Monterey-Salinas-Santa Cruz, CA	44.9%	32
	84	Bakersfield, CA	32.9%	30
101 to 150	106	Visalia-Tulare-Hanford, CA	40.7%	12
	107	Oxnard-Ventura, CA	31.5%	15
	112	Worcester, MA	6.4%	14
	127	Corpus Christi, TX	51.4%	28
	145	Beaumont-Port Arthur, TX	26.7%	17
151 to 267	153	Stockton, CA	35.3%	9
	178	New London, CT	8.7%	10
	197	Richland-Kennewick-Pasco, WA	15.7%	15
	204	Killeen-Temple, TX	28.0%	11
	234	Medford-Ashland, OR	6.2%	17
Total				503

Table 2: Renewal Application (Form 396) Information by Market Grouping

	1 to 50	51 to 100	101 to 150	151 to 257	Total
Total # of Stations	252	139	91	73	503
Total # of AM Stations	238	57	37	22	254
Total # of FM Stations	114	82	54	51	301
Total Number of Filings	154	72	70	60	356
Stations Sold	30	3	13	15	61
No Verifiable Sources	58	39	24	16	137
No Data Available	20	11	20	16	67
Total # of Valid Applications	61	19	12	13	105

Table 3: Frequency of Source Information by Market Grouping*

	1 to 50	51 to 100	101 to 150	151 to 257	Total
Total # of Stations	252	139	91	73	555
Total # of AM Stations	238	57	37	22	254
Total # of FM Stations	114	82	54	51	301
Total # of Sources Listed	452	93	30	70	645
Total # of Sources Identified (Percentage of Listed)	221 (49%)	36 (39%)	16 (53%)	19 (27%)	292 (45%)
Total # of Sources Contacted (Percentage of Listed)	68 (15%)	9 (10%)	0 (—)	1 (1%)	78 (12%)
Ratio (Contacted/Identified)	.31	.10	—	.01	.12

* (For valid applications only)

Table 4: Responses for Sources Contacted by Market Grouping

Question	1 to 50	51 to 100	101 to 150	151 to 257	Total
<i>Was your organization contacted in 1997 and 1998?</i>					
Yes	36	5	---	---	41
No	11	1	---	1	13
Don't Know	21	3	---	---	24

Table 5: Frequency of Contact by Market Grouping

Question	1 to 50	51 to 100	101 to 150	151 to 257	Total
<i>How often does this station contact this organization?</i>					
Every two months	13	3	---	---	16
Once a year	5	---	---	---	5
Never	2	---	---	---	2
As needed	15	2	---	---	17

Table 6: Frequency of Other Diversity Activities by Market Grouping

Question	1 to 50	51 to 100	101 to 150	151 to 257	Total
<i>Does this station involve your organization in other diversity activities?</i>					
Yes	13	3	---	---	16
No	5	---	---	---	5

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